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C O N F I D E N T I A L SECTION 01 OF 02 SHENYANG 000022

SIPDIS

DEPARTMENT FOR EAP/CM, INR

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TAGS: [CM](#) [KN](#) [KS](#) [PGOV](#) [PHUM](#) [PREF](#) [SOCI](#)

SUBJECT: NGOS TALK NORTHEAST CHINA CHILDCARE AND HEALTH,  
DPRK PLANS

REF: A. SHENYANG 019

[1](#)B. 09 SHENYANG 223

Classified By: Pol/Econ Chief Dannielle R. Andrews. Reasons  
1.4 (b) and (d)

[1](#)1. (C) SUMMARY: According to local expats with many years of experience in Shenyang, foreign NGOs continue to be required to partner with local governments, but official suspicion of foreign NGOs and social workers has declined. Any lingering suspicion is now individual rather than institutional. Due to onerous regulations, however, no new foreign NGOs have opened since 2004 and operations remain subject to the whims of local leaders. Local health care systems and care for orphans have seen great improvement in the past decade. Male orphans outnumber females, and orphaned children are still more likely to be adopted by foreigners than locals. One NGO's long-term plans include a soap factory and education complex in the DPRK. They shared some of their limited experiences with DPRK refugees, including bribes and broker fees. END SUMMARY.

[1](#)2. (SBU) On February 1, EAP/CM Deputy Director Bill Klein and ConGenOffs met with three long-term Shenyang residents active in non-profit work. Paula Umscheid is an American citizen who runs Serving Humanity in Crisis (SHIC), a U.S.-based NGO that provides health care and humanitarian services in Northeast China and the DPRK. Elaine Hennessy, also an Amcit, and Migyeong Kang, an ROK citizen, are employed by the state-run Shenyang Orphanage to run, Dream Home, a local unit that provides care for mentally and physically impaired orphans. Subsequent meetings with ConGenOffs provided further information on their work in the region.

What it Takes: Patience and Adaptability  
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[1](#)3. (SBU) According to Umscheid, NGOs must work with the local governments, but officials have become more and more hospitable and overcome their early suspicions. Over the long term, the partnerships have been successful, each side approaching the other about proposed projects. What suspicion remains is individual rather than institutional. No new NGOs have been opened since 2004 due to regulations requiring foreign NGOs looking to set up on a non-profit basis to have at least USD 1 million in the bank. She added that any foreign operations in this environment are subject to the whims of local officials and thus always precarious. (NOTE: Domestic NGOs have had a difficult time registering as well, as in the case of Fr. Joseph Zhang's Catholic Social Services Center, which has been trying unsuccessfully to register for years -- REFTEL A. END NOTE.)

[1](#)4. (SBU) Dream Home has not been set up as an NGO. Rather,

Kang and Hennessy are employed by the government-run Shenyang Orphanage as a separate, collocated branch. Because they are employees, they report that their ability to remain in Shenyang is tenuous. To underscore this point, in late December the orphanage administration informed them that most of the youth in Dream Home's care - primarily older children and young adults having mental rather than physical handicaps - were being removed from the home. The two Dream Home managers do not know if they will be able to retain contact with the youth and fear the quality of care they receive will suffer. While the issue remains unresolved, Dream Home will continue their work with the remaining children in whatever form, and will continue to care for younger children at the orphanage proper.

From Very Bad to Much Better  
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15. (SBU) Foreign teachers and NGOs have had a significant positive influence in Shenyang. Kang pointed out that in 1999 only one large building housed the orphanage and a 90-percent death rate for orphaned babies was the norm. Thanks in large part to foreign and domestic donations (driven by positive media coverage) the facilities have been vastly improved and Shenyang's orphanage is now considered one of the best in China. For physically and mentally disabled children, to whom Kang and Hennessy have dedicated the bulk of their work, conditions have improved. Previously, these orphans lived in extremely unsanitary conditions and were often tied to beds or to toilet seats. Now the living facilities are cleaner and due to increased government funding, handicapped orphans are more often able to have surgery. Over 200 have been placed in

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foster homes in the hometown village of the orphanage's vice president. Disabled children are not placed in foster care and either stay in the orphanage or are placed in other social institutions after they reach eighteen.

16. (SBU) According to Hennessy, abandoned children are usually taken to the Public Security Bureau (PSB) which then brings them to the orphanage. Children unclaimed after a 60-day public notification period remain in the orphanage. Males outnumber females. Hennessy speculated that abandoned children having no disabilities are usually born out of wedlock and, because of the "one-child policy" the mothers want their "one child" to be born in different circumstances. Disabled children are abandoned because of traditional prejudices and a lack of knowledge as to how to care for them. Previously, parents of disabled children were allowed to bring their children directly to the orphanage and pay for the care, but this can no longer be done. Children placed for adoption are more likely to be adopted by foreign couples because fees - up to USD 10,000 for foreign couples - are much higher than those for local couples. Kang said demand for domestic adoption has increased, and as domestic fees rise, more Chinese orphans will be adopted by Chinese.

17. (SBU) Umscheid reported that over the last decade, the quality of healthcare available in Shenyang has shown great improvement, but this "improvement" is directly tied to the ability of patients to pay. Umscheid echoed the opinion of other NGOs in the region that a significant gap remains between care in rural and urban areas. The government is pushing companies to provide health benefits to employees, with all contract workers under thirty-five receiving insurance coverage. SHIC, for instance, must offer insurance even during a worker's three-month probationary period. She speculated there is a huge population that remains uninsured and unable to pay for healthcare. Post maintains contact with volunteer organizations that provide healthcare to needy, rural populations in other parts of Liaoning Province.  
(REFTEL B)

Using China Experiences in the DPRK  
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18. (C) Umscheid plans to expand SHIC's work in the DPRK and has visited North Korea more than 25 times. She usually takes food or medical supplies on her trips and obtains visas by having someone meet her at the border (Dandong) rather than by going through the DPRK Consulate in Shenyang. This year she hopes finally to begin negotiations to open a soap factory in North Korea, which she has planned for at least two years. (NOTE: Over the last few years, ConGenOffs have provided her with related information from the Department of Treasury's Office of Foreign Assets Control and other related USG agencies on North Korea trade issues. END NOTE.) The soap will be sold internationally to church groups to raise funds for SHIC's work in the PRC-DPRK border region. She anticipates North Korean officials will have a say in how her business is run but does not expect them to have the final say. She stressed that whatever is said by North Korean officials is always subject to change, as she has learned from her experiences in China. The long-term goal is to establish a self-supporting education/training complex in the DPRK.

19. (C) Kang said that she is aware of DPRK refugees coming out of the countryside and seeking asylum through an "underground railroad," but that there are other specialized agencies to assist them. She once housed the nine year-old daughter of a refugee, an educated North Korean woman who married a rural Chinese man and spoke only Chinese in order to avoid detection. The mother subsequently arranged entry into South Korea for herself and her daughter. Umscheid opined that North Koreans must pay about RMB 3000 to border guards to facilitate the escape but did not speculate as to what the receiving agencies might charge for their services.

WICKMAN